

INCOMING TELEGRAM

Department of State

Return for
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44-48

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Action

Control: 764

Rec'd: APRIL 1, 1958
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FROM: BONN

Info

TO: Secretary of State

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NO: 3019, APRIL 1, 9 PM

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SENT DEPARTMENT 3019 REPEATED INFORMAT'ON PARIS, BRUSSELS,
LUXEMBOURG. DUESSELDORF UNNUMBERED.

LUXEMBOURG FOR CSC, PARIS FOR USRO

REFERENCE: POLTO 3044 TO DEPARTMENT, REPEATED INFORMATION POLTO 326 TO BONN

GERMAN GOVERNMENT OFFICIALS RELUCTANT DISCUSS COAL, ECONOMICS
MINISTRY OFFICIALS SAYING THEY HAVE BEEN INSTRUCTED REFRAIN FROM
DISCUSSING SUBJECT UNTIL ERHARD RETURNS FROM UNITED STATES.
NEVERTHELESS, FOLLOWING DEVELOPED IN CONVERSATIONS WITH BINNEBESEL,
ECONOMICS MINISTRY OFFICIAL IN CHARGE COAL IMPORTS, AND
IN SCHMITZ-LENDERS' ABSENCE. ASSISTANT UNITED STATES DESK OFFICERS:

(1) ECONOMICS MINISTER APPARENTLY HAS TOLD COAL IMPORTERS THAT IT IS IN THEIR BEST INTEREST DEFER COAL IMPORTATION UNTIL RESERVES IN GERMANY HAVE BEEN DECREASED. ONE OFFICIAL REFERRED TO 90 DAY PERIOD, WHILE SECOND SAYS SUGGESTION HAS BEEN MADE TO IMPORTERS THAT THEY EXERCISE PRUDENCE IN COAL IMPORTATION THROUGH REMAINDER 1958.

(2) GOVERNMENT HAS NO RPT NO PLANS DELIBERALIZE COAL. ANY ACTION TAKEN ADJUST COAL IMPORT DELIVERIES WOULD BE ON PRIVATE BASIS. BETWEEN EXPORTERS AND IMPORTERS AND WOULD NOT RPT NOT AFFECT VALIDITY CONTRACTS. BINNEBESEL SUGGESTED UNITED STATES GOVERNMENT ADVISE EXPORTERS TO BE PATIENT WITH GERMAN COAL IMPORTERS IF CONTRACT ADJUSTMENTS, FOR EXAMPLE, TIME EXTENSION, ARE REQUESTED.

(3) BINNEBESEL ASKED FOR INFORMATION ON ACTION BELGIAN GOVERNMENT HAD TAKEN RESTRICT UNITED STATES COAL IMPORTS AND MEASURES, IF ANY, TAKEN OR PLANNED BY UNITED STATES GOVERNMENT, SAYING

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FOR COORDINATION WITH

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-2- 3019, APRIL 1, 9 PM FROM BONN

ECONOMICS MINISTER UNDER EXTREME PRESSURE FROM OTHER FEDERAL GOVERNMENT MINISTRIES AND COAL INDUSTRY TO RESTRICT IMPORTATION UNITED STATES COAL. HE APPARENTLY WANTS AMMO TO USE AGAINST / ADVOCATES STRICTER POLICY TOWARDS UNITED STATES COAL.

COMMENT:

FOREGOING ARE WORKING LEVEL VIEWS. GOVERNMENT POLICY LIKELY NOT RPT NOT BE DETERMINED UNTIL ERHARD RETURNS.

POSSIBLE GERMAN STEEL WORKERS STRIKE, NOW CALLED FOR APRIL 9, IF LAST MINUTE SETTLEMENT EFFORTS FAIL, WOULD CAUSE IMMEDIATE REDUCTION INDUSTRIAL CONSUMPTION COAL. SOLID FUEL RESERVES NOW ABOUT 3.5 MILLION TONS OR EQUIVALENT OVER ONE WEEK'S PRODUCTION. UNDERSTAND ECONOMICS MINISTER UNDER STRONG PRESSURE RESTRICT COAL IMPORTS, WHICH MAY BECOME TOO POWERFUL RESIST IF DOMESTIC COAL SITUATION WORSENS. IN OUR OPINION, UNLESS UNITED STATES GOVERNMENT MAINTAINS FIRM POSITION VIS-A-VIS BELGIUM ON COAL, AND WE CAN SO INDICATE TO GERMAN GOVERNMENT, INCREASING COAL STOCKS AND INDUSTRY AND LABOR PRESSURE, MAY FORCE SOME TYPE RESTRICTIVE ACTION.

BRUSSELS REQUESTED ADVISE NATURE AND EXTENT BELGIAN RESTRICTIVE ACTION. DEPARTMENT REQUESTED ADVISE REPLY TO ECONOMIC OFFICIALS ON (3) ABOVE.

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